



Riksrevisjonen

Office of the Auditor General of Norway Annual Report 2020

Document 2 (2020–2021)



Cover page: Odderøya lighthouse. Photo: The Office of the Auditor General

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1 The Auditor General sums up 2020 - an unconventional year



Auditor General Per-Kristian Foss
Photo: Ilija Hendel / Office of the Auditor General

The Office of the Auditor General of Norway is the parliament's largest and oldest regulatory body. Our task is to check how well the Government and public administration are performing their duties, even when we are in the throes of a pandemic and Norway shuts down.

We carry out this mandate through audits, controls and investigations of the ministries, more than 200 state organisations and state ownership interests in 120 companies.

Our overarching vision is that our audit shall benefit the society of tomorrow. We will

- deliver a solid description of facts which the Norwegian parliament, the Storting, can use to supervise the government
- help to improve the public administration
- allow the general public to see how public funds are managed

The year 2020 has been unconventional and challenging, but it has also been a year in which we have been able to develop as an office. For the first time in our more than 200-year history, we have audited the state accounts from home offices. We have carried out the work together whilst being located in nearly 450 homes around the country. The coronavirus pandemic has challenged us all, both professionally and personally. Nevertheless, our skilled employees have delivered top quality work and demonstrated great adaptability and perseverance. The Board of Auditors General and I are proud and grateful for the dedication that has been demonstrated.

The Office of the Auditor General aims to provide current and relevant information to the elected representatives of the people. In 2020, we audited the State Accounts and the accounts of 230 public institutions for the 2019 financial year. Furthermore, we examined state ownership interests in companies worth many billions of Norwegian kroner. We conducted specific surveys that touched on many topics that are important to society and provide valuable information to the Storting. In 2020, we presented, inter alia, investigations on Child welfare, ICT security, Overpriced public services and the Government's follow-up of the UN Sustainable Development Goals.

We have streamlined our internal processes to provide better current and relevant information. Three times a year, we review our portfolio of ongoing audits and consider which new ones to initiate. This allows us to react faster than previously and deliver current and relevant audits, which is important in a fast-changing world. In 2020, this led to an audit into the Norwegian Ministry of Oil and Energy's follow-up of Equinor's foreign investments and an audit into information security in Norfund. We also initiated two coronavirus audits and one audit of the Norwegian Ministry of Foreign Affairs' grant to the International Peace Institute, while the Akson case initiated an audit of the procurements made by the Norwegian Directorate of e-health.

Our objective is not primarily to detect errors and misconduct, but to prevent serious errors from being made. We provide advice to the executive branch – for the benefit of the citizens. We do this through ongoing dialogue, and ensure that most accounting errors are corrected before the final audits. Only one of the 230 organisation accounts we audited, contained material errors and omissions at the year-end. This encourages trust in the authorities and shows that providing advice is beneficial. I believe that the supervisory role my office will become increasingly important in the years ahead, as it is a constructive and cost-effective way of working.

In recent years, we have worked hard to modernise, streamline and digitalise our work. One of the experiences we have made during the coronavirus pandemic, is how quickly we can adapt. For example, in 2020, secure and easy-to-use digital solutions have been essential. Without these, it would not have been possible to audit the state accounts from home offices. At the start of the pandemic, we explicitly focused on being a responsible employer and facilitated that all our employees could work from home. This has been a necessary and good investment, and will provide greater flexibility for the future.

One of the aims of the Office of the Auditor General is to ensure transparency, and therefore our audits and audit documentation are available to the public after they are presented to the Storting. Transparency is important for building trust between the general public and public authorities, a trust that is vital if democracy is to work. This is particularly true in times of crisis. I am proud of the work invested in this every day by our staff and this year more than ever.

Per-Kristian Foss
Auditor General of Norway

2 The Office of the Auditor General and the coronavirus pandemic

Like the rest of society, the coronavirus pandemic has affected the Office of the Auditor General. When the government shut down the country in March, all our employees had to work from home. At the same time, schools and kindergartens were closed, and the situation was unclear and challenging.

We quickly established values and principles for our handling of the coronavirus situation. Our social mission dictates that we take the lead and act responsibly by helping to prevent the spread of infection. Decisions were made under a veil of uncertainty, but the advice and recommendations of central and local authorities were followed from day one. Cooperation with OAG's health and safety representatives and the labour organisations was important and contributed to ensuring a sound foundation of trust for the months that followed.

We have had to balance the consideration for our employees with the need to keep up production. We have focused on being a responsible employer, facilitating that our staff could work from home. Among other things, this involved ensuring a proper home office environment and flexibility for employees that had children or other responsibilities that were made harsher during the pandemic. We also introduced new and more efficient digital communication solutions.

Consideration for the work situation of our auditees has weighed heavily. We have had a good dialogue with the ministries and directorates, which in many areas were under pressure due to the Covid-situation, but still went to great lengths to ensure that our audits could be carried out. Much of the work was done digitally. In some cases, activities were postponed, partly due to travel restrictions. The deadline for submitting audit reports for 2019 was postponed and the annual audit report was tabled more than 3 weeks delayed. The submission of several planned performance audit reports were postponed until 2021.

The year 2020 has shown that we work in an adaptable organisation. Dedicated, solution-oriented staff and good communication solutions have meant that most of the tasks were carried out as planned, despite a few delays. Some tasks were particularly challenging, especially the audits of the Norwegian Labour and Welfare Administration and the Norwegian Armed Forces. Audits requiring processing of classified information were at times challenging to perform. In addition, internal activities and development projects were delayed somewhat due to the pandemic. These delays will continue to affect our activities in 2021.

3 The Office of the Auditor General of Norway

3.1 Roles and duties

The Office of the Auditor General of Norway (OAGN) is the regulatory body of the Norwegian parliament - the Storting. We conduct controls and audits of the ministries, public institutions and state interests in companies. The Office of the Auditor General is the only institution that can provide the Storting with a comprehensive and independent audit of the state. Our controls and investigations are based on the laws and decisions made by the Storting. We

- audit national accounts
- check that acts, rules and decisions are complied with
- audit the economy, efficiency and effectiveness of public policies
- oversee the management of the state's interests in companies
- prevent and detect irregularities and errors
- advise the public administration to prevent future errors and omissions



Photo: Scott Graham / Unsplash

Acts and instructions regarding the Office of the Auditor General define the general framework of our work.

We use INTOSAI's¹ international framework and standards for public audits, which contain basic principles and quality requirements for government audits. Within this framework, we operate independently of the Storting and the public executive bodies.

In general, the Board of Auditors General decides what to investigate, but the Storting in plenary may instruct the OAG to conduct special audits. The report on the Alexander L. Kielland accident presented to the Storting in the spring of 2021 provides one such example. All our investigations are independent and objective, intended to provide the Storting with an expert basis from which to perform its parliamentary supervision of the government.

In the autumn of 2020, the Chairman of the Board of Auditors General and the plenary chair of the Sámi Parliament signed an agreement on procedures for the Office of the Auditor General's control of the Sámi Parliament. The agreement is a clarification of the role of the Office of the Auditor General in relation to the Sámi Parliament and a continuation of an agreement with the President of the Sámi Parliament from 2009.

3.2 How we work

The Office of the Auditor General performs regular annual audit assignments such as financial audits and corporate control. The decisions on what to audit, are based on assessments of risk and materiality. Our objective is always to provide the Storting with current and relevant information.

3.2.1 Financial audits and control of national accounts

Financial audits are conducted annually as they are crucial for ensuring trust in public accounts.

We audit the national accounts and all the accounts of state organisations, including the ministries and the Prime Minister's Office. We also audit the accounts of the Parliament, the Sámi Parliament, four Nordic organisations based in Norway² and the United Nations Association of Norway. Through the financial audits, we provide assurance that the state accounts do not contain material errors or omissions and that the accounts have been prepared in line with applicable regulations and the financial framework.³

¹ International Organization of Supreme Audit Institutions.

² The organisations are listed in Document 1 (2020–2021) on page 194.

³ In the public administration, this includes the *appropriation regulations, regulations for public sector financial management* (the financial management regulations) and associated circulars and the provide accounting standards for the organisations that submit accrued accounts.

Audits of an organisation's accounts include financial audit of the annual accounts and possible checks of compliance against administrative regulations for public sector financial management. The results are reported annually in the auditor's report for each organisation. We also prepare a declaration on the national accounts. The most important findings are reported to the Parliament.

Advice and dialogue

We advise the auditees to help ensure that their accounts have no material errors or omissions. Auditors provide advice through the annual audit programme, both when the audit is being planned and conducted and when the audit report is issued. This guidance is provided in dialogue with the organisation being audited and might concern both the accounts and the internal control procedures.

We aim to provide guidance in a way that does not jeopardise the independence and objectivity of the Office of the Auditor General in the subsequent audits. Audited organisations have an independent responsibility for accounts and internal control, regardless of advice provided by the OAG.

3.2.2 Performance and compliance audits

Risk and materiality decide the direction and contents of our audits. When selecting an area to audit, our decision is based on what information we think will best benefit the Parliament in performing its supervision function of the government and public administration. Possible audit topics have to be of major financial, social or fundamental importance or there has to be a likelihood of non-compliance with parliamentary decisions and intentions.

We continuously monitor key areas of society and use information from financial audits and other audit work to select new areas to audit. We also gather information from a range of external sources, such as research communities, academia, the media and our tip-off channel.

Possible audits are then prioritised. The length of an audit production varies, but the processes are relatively similar. The audits are conducted either as performance or compliance audits. As part of the corporate control, we also conduct performance audits of the management of the state's interests in companies.

The Board of Auditors General makes the final decision as to which audits we will conduct.

Planning

During the planning phase, we carry out a thorough risk analysis to clarify whether the identified risk is sufficient to justify an audit. We also gather more information to ensure that we have a good understanding of the public administration of the policy area, and we use this as a basis on which to develop an implementation plan for the audit. In this plan, we decide on the objective of the investigation, problems, audit criteria and the method of gathering and analysing information. During the planning phase, we are in dialogue with the organisation or ministry to be audited about how tasks will be performed and which specialist norms and rules apply in this particular area of policy (audit criteria).

Implementation

If we conclude that an investigation could detect major weaknesses and thereby contribute to improvements, we perform the audit. During the implementation phase, we collect necessary information and perform the analyses needed to address the objectives and problems of the audit. In the audit report, we summarise the findings and present a conclusion concerning the audit criteria. A draft of the report is sent to the audited ministry or organisation for review and comments.

Reporting



Photo: The Office of the Auditor General

Based on the audit findings and the ministry's feedback, we assess whether the case should be reported to the Storting. The final decision is taken by the Board of Auditors General.

Reports that are to be presented to the Storting are submitted to the minister responsible for comments. The minister's response is attached to the report. The reports are made public after they have been presented to the Storting.

Follow-up

Once the Storting has received a report, it is considered by the Standing Committee on Scrutiny and Constitutional Affairs and then by the Storting in plenary. Normally, the audit is followed up after three years to provide the Storting with information about relevant measures that have been implemented.

3.2.3 Annual corporate controls

In addition to performance audits of the administration of the state's interests in companies (see section 3.2.2), we conduct annual corporate controls.

We check whether the administration of the companies complies with laws, regulations and decisions (regulatory compliance) and/or generally accepted principles relevant to the administration of the state's interests in the companies (prudent administration). Each minister is required to submit documentation to the Office of the Auditor General.

Based on an assessment of materiality and risk, it may be appropriate to carry out further investigations in selected areas as part of the annual control. We report material non-conformance to the Storting. Normally, this is followed up after two years to provide the Storting with information about relevant measures that have been implemented.

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See section 4.2 for further information on our auditing activities and results.

3.3 Organisation and leadership



The Office of the Auditor General is governed by a Board made up of five Auditors General selected by the Storting.

The Storting selects members of the Board every four years following the parliamentary election and appoints the chairman and the deputy chair of the Board.

The Chairman of the Board, Per-Kristian Foss, is the Managing Director of the Office of the Auditor General.

Photo: Ilja Hendel / Office of the Auditor General

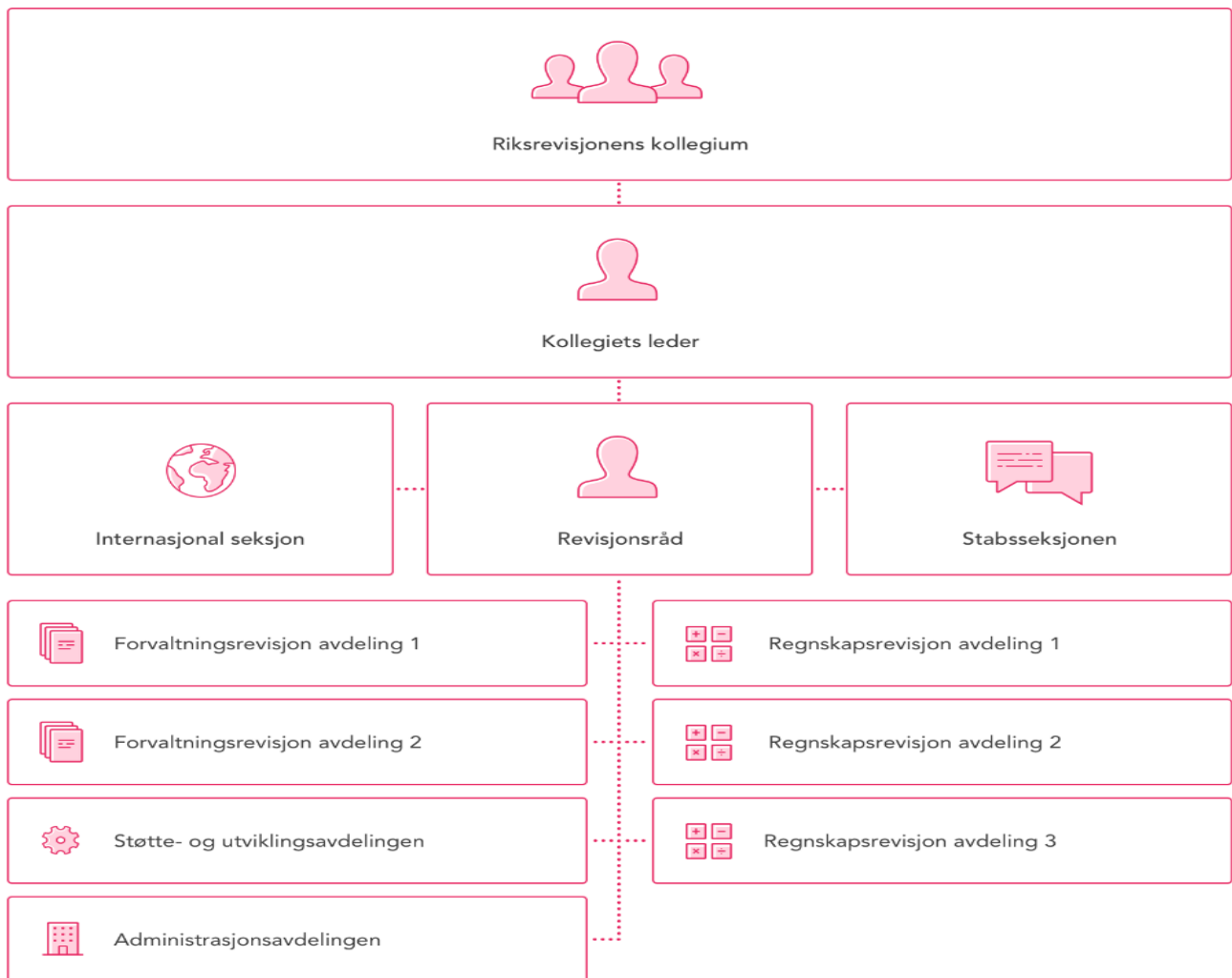
Board of Auditors General 2018–2021:

Auditors General	Role	Deputies
Per-Kristian Foss	Chair	Martin Engeset
Helga Pedersen	Vice-chair	Per Rune Henriksen
Gunn Karin Gjøl		Beate Heieren Hundhammer
Arve Lønnum		Kenneth Svendsen
Anne Tingelstad Wøien		Heidi Grande Røys

The Secretary General is the senior administrative and technical manager of OAG and assists the Chairman of the Board in the day-to-day management of the organisation. The Secretary General is also the secretary of the board.

Jens Arild Gunvaldsen has been Secretary General at the Office of the Auditor General since 2016.

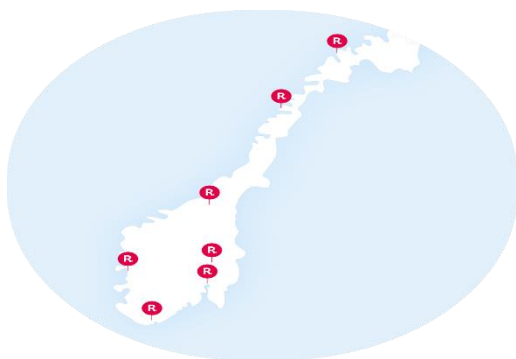
OAG has seven departments: five audit departments, a support and innovation department and an administration department. Each department is managed by a Director General. The audit departments are set up according to the types of audits and which ministries they audit. In addition, there are two divisions directly under the Secretary General.



3.4 Employees and geographical location

The Office of the Auditor General has 449 full-time employees and 4 temporary employees. Since 2010 the number of employees has been reduced by 16 per cent. Our employees are mainly economists, auditors, lawyers and social scientists.

In 2020, we performed work corresponding to 429 full-time equivalents.



Our head office is in Oslo, and we have regional offices in Tromsø, Bodø, Trondheim, Bergen, Kristiansand and Hamar. 65 of our employees work outside of Oslo.

Our strategy is to have a strong regional presence, and each regional office has between 7 and 14 employees.

For more details, see chapters 4, 5 and 7.

4 This year's activities and results

4.1 Results within the strategic goals

The Office of the Auditor General's strategic plan covers the period 2018–2024. Our vision is to deliver “auditing to benefit the society of tomorrow” and we work towards three main goals. We will

- be society's foremost provider of current and relevant public auditing
- conduct high-quality audits and controls
- be an efficient organisation

We have defined strategies for each main goal that specify how we will work to achieve the goal.

4.1.1 Goal 1: The Office of the Auditor General is the society's foremost provider of current and relevant public auditing

Contribute to the Storting supervision of the public administration

The Storting has stated that the Office of the Auditor General provides important contributions to the supervision of the Government and the public administration. In connection with the Storting's discussion on OAG's Annual Report (2019–2020), the Standing Committee on Scrutiny and Constitutional Affairs stated the following:



“The Committee believes that the Office of the Auditor General provides important input to the Storting and supervises the Government and the public administration on behalf of the Storting. Through this work, the Office of the Auditor General identifies important premises for the Storting's control work. The Office of the Auditor General's audits of the public administration's accounts and the reports on the activities in various areas, provide the Storting with a sound basis for assessing whether the ministers have fulfilled their responsibilities.”

Photo: Wikipedia / Creative Commons

In addition to its standard consideration of our reports, the Storting used 42 of the Office of the Auditor General's audits in its work in 2020. This is about the same number as in 2019. An analysis also demonstrates that our audits were used in committee recommendations, written questions, Question Time, private members' bills and debates. The most frequently discussed cases are staffing challenges in the hospital trusts (15), fishing quotas (11), processing time in the courts (9), animal welfare (6), child welfare institutions (5) and predator control (5).

Contribute to improving the public administration

The government and the public administration change the way they conduct their work because of our audits and advice. In this way, we provide important contributions to improvements, although there is still potential to increase the use of our audit results.

We normally follow up a case three years after it was reported to the Storting. In some cases, it is often too early to tell whether the implemented changes have yielded improved results. In most cases, the public administration's follow up of the Storting's comments and the Office of the Auditor General's recommendations is nevertheless such that further follow up is no longer necessary.

Feedback from audited organisations is obtained through user surveys. The surveys suggest that the public administration finds our audits relevant and useful, and that they are used as tools to make specific improvements. The feedback in 2020 was consistently positive.

Offer benefit, credibility, and relevance to the public

In 2020, the Office of the Auditor General had 4,200 instances of media coverage, which is an increase from 3,500 in 2019, although we published less audits in 2020. This might suggest that the audits are perceived as current and relevant contributions to the public debate. In 2020, the following reports received the greatest media coverage:

- *The quota system in coastal and deep-sea fishing*
- *The hospital trusts' prevention of cyber-attacks against their ICT systems*
- *The Norwegian Public Roads Administration's inspection and follow up of installations and equipment on the national road network*
- *The Ministry of Oil and Energy's follow up of Equinor's foreign investments*



Interview with Auditor General Per-Kristian Foss. Photo: The Norwegian Storting

The media is our most important channel for communicating the results of our audit reports to the public. This is why we focus on using plain language and communication.

Our aim is that our website, www.riksrevisjonen.no is easy to use and the content easy to understand. We had 66,500 visits in 2020, which was down slightly from 2019 (79,000). In 2020, we continued our commitment to develop our social media presence.

4.1.2 Goal 2: The Office of the Auditor General is conducting high quality audits and controls

We assess the quality of our work based on the professional quality of the audits (product quality) and the quality of the process and the communication with the auditees (process quality). Various reviews demonstrate that our audits are generally of high professional quality.

Product quality

The Office of the Auditor General has a comprehensive apparatus for ensuring that an audit complies with relevant international audit standards and meets the specified requirements regarding independence, objectivity and professional discretionary assessment of findings and conclusions. In 2020, we adopted updated guidelines for all types of audits, in line with international standards. The work of implementing the guidelines is ongoing.

We perform regular quality controls on completed audits and the previous review was carried out in 2019. We assessed several financial audits to ensure that they had been conducted according to professional audit standards and guidelines.

A new format of OAG's Annual Financial Audit Report has been one of our most important development projects in 2020. From the autumn of 2021, the Storting will hopefully receive a document that communicates better and at the same enables a better streamlining of our internal production processes.

Process quality

One of our objectives is to be professional, transparent, and user-oriented in our communication. In the user surveys, the audited organisations express their views on the audit process as well as the communication with the OAG. We generally receive positive feedback, and the auditees report that they are satisfied with the auditing process.

Our seamless communication project facilitates more user-friendly and professional digital communication with external parties, as well as better internal interaction. By using digital communication, including the exchange of data with the public administration, it is our impression that we meet the expectations of society and those we audit.

4.1.3 Goal 3: The Office of the Auditor General is an efficient organisation

One of the aims of the Office of the Auditor General is to be a well-managed organisation that conducts audits and controls effectively. Many years of development work have made us adaptable. Since 2010, we have reduced the number of full-time equivalents and the number of employees, while production remains at almost the same level.

In 2012, we implemented new international public auditing standards and introduced a new audit support tool. The restructuring has been most pronounced within financial auditing. Various development measures have resulted in improved quality and more efficient use of resources in the audits. More coordinated portfolio management of the assignments has contributed to better priorities.

From 2017, we further strengthened our restructuring work through the establishment of a modernisation programme as a superstructure for the development activities. Several initiatives from the programme are now being implemented in the line organisation, while new initiatives are being added to the programme. Digitalisation and automation of audits have top priority.

In 2020, we established a pilot study on management information, the purpose of which is to identify the need for management information at various levels. This will facilitate better decision-making, allowing us to use our resources more efficiently and increase the quality of our products. We are also working on a long-term plan to ensure that we maintain access to necessary expertise within our specialised areas of work.

We have also introduced a new and improved digital communication tool in 2020, enabling us to perform audits and other tasks digitally in a more professionally manner. This has been essential for maintaining good internal interaction and efficient problem solving during the coronavirus pandemic. We also implemented a new, secure, and efficient solution for collecting documentation digitally from the public administration.

Our experience with digital communication solutions means that we plan for a reduction in necessary business travel and reduce the burden such travel entails for our employees. This will also reduce both costs and our carbon footprint as an organisation.

For more information about the modernisation programme and our development activities, see Chapter 5.

4.2 Audit-related activities and results

4.2.1 Financial audits and control of national accounts

In 2020, we audited the accounts of 230 organisations for the 2019 financial year.

In general, the accounts of the state organisations are well kept and with the help of advice and dialogue with the audited organisations, minor errors uncovered have been corrected before the accounts have been closed. A total of 229 out of 230 accounts received an unmodified opinion in the audit report, which means that the accounts had no material errors or omissions.

However, nine of the audited organisations have received a modified opinion related to non-compliance with regulations for public sector financial management.



Photo: Lucas Blazek / Unsplash

The State Accounts are a composite of all national accounts. The supervision of the State Accounts is based on financial audits of the ministries and the subordinate agencies, and audit processes covering the State Accounts themselves.

In the declaration for 2019, we consider the State Accounts⁴ to be correctly prepared and presented. In our opinion, the presentation complies with the principles of the Appropriation Regulations.

4.2.2 Performance audits, compliance audits and annual corporate control

Audits involving multiple ministries

The Office of the Auditor General has unique access to information, and we can conduct audits that involve multiple ministries. Many of our investigations are either cross-sectoral, in the sense that several ministries have roles and duties within the area we are auditing, or cross-ministerial, in the sense that the topic of the investigation focuses on several ministries. The Storting has emphasised the importance of the Office of the Auditor General conducting investigation and evaluating significance and risk across the ministries.

In 2020, we tabled two audits involving multiple ministries:

- *Management and reporting on the national follow-up of the UN Sustainable Development Goals*
- *Compliance with the Storting's conditions for fee financing of public services*

In the beginning of 2021, we worked on a further eight audits involving multiple ministries:

- *Audit of the financial measures in the face of the coronavirus outbreak*
- *Health, education and welfare services for prison inmates*
- *The authorities' efforts to combat domestic violence*
- *Climate and environmental considerations in public procurement*
- *The authorities' work on adapting buildings and infrastructure to a changing climate*
- *The Svalbard companies' handling of climate challenges*
- *The authorities' work on the Alexander L. Kielland accident*
- *The authorities' work on export control of strategic goods*

Performance audits

Performance audits enable us to perform major, systematic investigations, the aim of which is to show how the government and public administration implement the measures adopted by the Storting, and the results and effects public initiatives have had.

These investigations study in-depth the relevant problems within a defined public area and cover a period of several years. In these investigations, we assess whether the results are achieved cost-effectively and efficiently.

Due to the coronavirus pandemic, several of the performance audits have been delayed. The following eleven performance audits have been completed and reported to the Storting in 2020:

	Report to the Storting
<i>Whether public child welfare authorities ensue the best for children in child welfare institutions</i> The Ministry of Children and Family Affairs	Document 3:7 (2019–2020), 30 September 2020
<i>The reasons for the long processing times in the area of patient injuries</i> The Ministry of Health and Care Services	Document 1 (2020–2021), 3 November 2020
<i>The hospital trusts' prevention of cyber-attacks against their ICT systems</i> The Ministry of Health and Care Services	Document 3:2 (2020–2021), 15 December 2020

⁴ Meld. St. 3 (2019–2020) (White paper)

<i>Management and reporting on the national follow-up of the UN Sustainable Development Goals</i> The Ministry of Local Government and Modernisation, the Ministry of Finance and the Ministry of Foreign Affairs	Document 3:3 (2020–2021), 17 November 2020
<i>Agency and corporate governance by the Norwegian Institute of Bioeconomy Research (NIBIO)</i> The Ministry of Agriculture and Food	Document 1 (2020–2021), 3 November 2020
<i>The quota system in coastal and deep-sea fishing</i> The Ministry of Trade, Industry and Fisheries	Document 3:6 (2019–2020), 28 April 2020
<i>Control and follow-up of operations and targets achieved in Space Norway AS</i> The Ministry of Trade, Industry and Fisheries	Document 3:2 (2020–2021), 15 December 2020
<i>The Ministry of Oil and Energy's follow up of Equinor's foreign investments</i> The Ministry of Oil and Energy	Document 3:2 (2020–2021), 15 December 2020
<i>The reasons for disputes between construction clients and contractors in public road development projects</i> The Ministry of Transport and Communications	Document 1 (2020–2021), 3 November 2020
<i>Bane Nor's operations, maintenance and investments</i> The Ministry of Transport and Communications	Document 3:2 (2020–2021), 15 December 2020
<i>Information security in Norfund</i> The Ministry of Foreign Affairs	Document 3:2 (2020–2021), 15 December 2020

At the beginning of 2021, we worked on a further 19 investigations that we plan to report to the Storting:

<i>Processing of complaints and appeal by NAV and the Social Security Tribunal</i> The Ministry of Labour and Social Affairs
<i>The Armed Forces Command and Control Information Systems</i> The Ministry of Defence
<i>Assistance to children and young people with disabilities</i> The Ministry of Health and Care Services
<i>The treatment and follow-up of people with mental health problems</i> The Ministry of Health and Care Services
<i>Clinical treatment studies in the hospital trusts</i> The Ministry of Health and Care Services
<i>The Ministry of Health and Care Service's management of ICT developments in the health sector</i> The Ministry of Health and Care Services
<i>Investments in the hospital trusts' buildings and medical-technical equipment</i> The Ministry of Health and Care Services
<i>Police efforts against crime through the use of ICT</i> The Ministry of Justice and Public Security
<i>Health, education and welfare services for prison inmates</i> The Ministry of Health and Care Services, the Ministry of Labour and Social Affairs, the Ministry of Justice and Public Security, the Ministry of Education and Research, the Ministry of Local Government and Modernisation,
<i>Achievement of goals and efficiency in the Norwegian Police Service</i> The Ministry of Justice and Public Security
<i>The authorities' efforts to combat domestic violence</i> The Ministry of Justice and Public Security, the Ministry of Labour and Social Affairs, the Ministry of Children and Family Affairs, the Ministry of Health and Care Services and the Ministry of Education and Research
<i>The authorities' work on adapting buildings and infrastructure to a changing climate</i> The Ministry of Climate and Environment
<i>Climate and environmental considerations in public procurement</i> The Ministry of Climate and Environment
<i>The work by Norwegian universities and colleges to improve the quality of education</i> The Ministry of Education and Research
<i>The Svalbard companies' handling of climate challenges</i> The Ministry of Trade, Industry and Fisheries, the Ministry of Health and Care Services, the Ministry of Climate and Environment, the Ministry of Education and Research and the Ministry of Transport and Communications
<i>The authorities' work on the Alexander L. Kielland accident</i> The Ministry of Trade, Industry and Fisheries, the Ministry of Labour and Social Affairs, the Ministry of Justice and Public Security and the Ministry of Health and Care Services
<i>The Norwegian Water Resources and Energy Directorate's work on ICT security in the power supply</i> The Ministry of Oil and Energy
<i>Norwegian support to the World Bank Funds</i> The Ministry of Foreign Affairs
<i>The authorities' work on export control of strategic goods</i> The Ministry of Foreign Affairs, the Ministry of Justice and Public Security and the Ministry of Finance

Compliance audits

Compliance audits enable us to check that public organisations are discharging their duties in the manner decided by the Storting and that they are complying with acts and regulations.

We reported seven compliance audits in The Annual Audit Report (2020–2021), which was submitted to the Storting on 3 November 2020:

<i>The Norwegian Labour and Welfare Administration's management of grants for labour market measures</i> The Ministry of Labour and Social Affairs
<i>Compliance with the Storting's conditions for fee financing of public services</i> The Ministry of Finance, the Ministry of Justice and Public Security, the Ministry of Local Government and Modernisation, the Ministry of Trade, Industry and Fisheries and the Ministry of Transport and Communications
<i>Public security and emergency preparedness at state universities and colleges</i> The Ministry of Education and Research
<i>Grant scheme for the employment of seafarers</i> The Ministry of Trade, Industry and Fisheries
<i>The Norwegian Water Resources and Energy Directorate's supervision of watercourse facilities</i> The Ministry of Oil and Energy
<i>The Norwegian Public Roads Administration's inspection and follow up of installations and equipment on the national road network</i> The Ministry of Transport and Communications
<i>Archive management and document security at Norwegian diplomatic missions</i> The Ministry of Foreign Affairs

At the beginning of 2021, we worked on further eleven investigations that we plan to report to the Storting:

<i>Audit of the financial measures in the face of the coronavirus outbreak</i>
<i>Allocations to the Norwegian Labour and Welfare Administration for the handling of the virus outbreak</i> The Ministry of Labour and Social Affairs
<i>Incorrect payment of compensation for VAT to counties and municipalities</i> The Ministry of Finance
<i>Incorrect repayment of withholding tax on dividends to foreign shareholders</i> The Ministry of Finance
<i>Procurement of consultancy services in the Norwegian Directorate of e-health</i> The Ministry of Health and Care Services
<i>Research ethics in the university and college sector</i> The Ministry of Education and Research
<i>Sponsored and commission-based activity at state universities and colleges - handling costs to prevent cross-subsidisation</i> The Ministry of Education and Research
<i>The Norwegian State Housing Bank's start loans</i> The Ministry of Local Government and Modernisation
<i>Follow-up and management of funds for investment and business development in agriculture (IBU funds)</i> The Ministry of Agriculture and Food
<i>Brønnøysund Register Centre - the development and management of a new register platform</i> The Ministry of Trade, Industry and Fisheries
<i>Control of the Ministry of Foreign Affairs' allocation of grants to the International Peace Institute</i> The Ministry of Foreign Affairs

An ongoing investigation focusing on the basic security of objects worthy of protection has been postponed due to the pandemic. It is uncertain when the investigation will resume.

Annual corporate control



Photo on the left: The Office of the Auditor General.
Photo on the right: Ole Jørgen Bratland – Equinor.

In 2020, we inspected the ministerial exercise of authority in twelve ministries that exercise ownership rights. We have checked how the state's ownership interests are safeguarded in 52 wholly-owned private limited companies, 29 partly owned limited companies, 1 joint-stock liability company, 6 public limited companies (ASA), 9 state enterprises, 4 regional hospital trusts, 15 student welfare organisations and a further 4 companies covered by special legislation.

Many of the companies take care of vital functions in society and attribute to a significant part of the value creation in the country

The audit for the financial year 2019 has not shown any major shortcomings in the exercise of ownership, except for a comment related to the *Quality of information on expected waiting times in the free choice of treatment scheme*. The matter has been reported in Document 3:2 (2020–2021).

4.3 International involvement

The Office of the Auditor General's international involvement includes the development of public auditing, professional support for Supreme Audit Institutions in developing countries, joint audits, and audits of international organisations.

International activities and cooperation have been carried out in 2020 despite the challenging working conditions during the coronavirus pandemic. Meetings and activities have mainly taken place on digital platforms, and new digital tools for interaction and learning have been adopted. This has worked well, although there have been technical challenges in some of our collaborative audits in developing countries.

4.3.1 Development and collaboration on public auditing

On an international basis, development work on public auditing is mainly through INTOSAI, the global organisation for Supreme Audit Institutions. They develop auditing standards and a common international framework for public auditing. Throughout 2020, the Office of the Auditor General has chaired the Forum for INTOSAI Professional Pronouncements (FIPP), which aims to ensure quality and consistency between the standards. We also chair the committee responsible for professional development within the field of performance audits and we are represented on several other expert committees.

The Nordics auditors general meet annually and have agreed to strengthen Nordic collaboration to ensure that the Supreme Audit Institutions are relevant, identify new risks and social trends and satisfactorily analyse complicated cross-sectoral contexts. The coronavirus pandemic was the main topic at the Meeting of Auditors General in 2020. Adaptation of work methods in the Nordic institutions and possible angles on audits regarding Covid-19 were discussed at a virtual meeting.

We collaborate with Supreme Audit Institutions that are at the forefront when it comes to the modernisation of public audits, including the areas of data analysis, visualisation and the use and auditing of machine learning algorithms and artificial intelligence. We also collaborate with other Supreme Audit Institutions to address shared challenges involved in auditing the acquisition of F-35 fighter jets and the Joint Strike Fighter programme.

4.3.2 Professional support to Supreme Audit Institutions in developing countries

Supreme Audit Institutions perform an important role in democracies. The goal of our aid work is to increase the Supreme Audit Institutions' impact on improving the administration of community resources and to help combat corruption in developing countries.

The Office of the Auditor General is the host of INTOSAI Development Initiative (IDI), which is an organisation that works to develop and support Supreme Audit Institutions in developing countries. The IDI helps to

increase capacity in more than 140 Supreme Audit Institutions through a range of development programmes. Further information on the IDI can be found in Appendix 4.

In 2020, we provided professional support to AFROSAI-E and the Supreme Audit Institutions in Myanmar, Uganda, Zambia and Sierra Leone. Our staff work on both short-term and long-term assignments.



Photo: Kyle Glenn / Unsplash

The extraction of minerals, oil and gas can generate huge revenues, but is also associated with a high risk of corruption.

In regions with large petroleum and mineral deposits, better public audits can be of enormous significance. We have established a programme intended to ensure that there are systematic, knowledge-based and consistent audits of petroleum and mineral resources.

We support the INTOSAI international working group for audits on the extraction sector. In 2020, together with AFROSAI-E and the Supreme Auditing Institutions in Uganda and Indonesia, we organised a course in petroleum audits for auditors from all over the world. We have further played a key role in the development of AFROSAI-E's first guidelines for audits of the extraction sector.

The Office of the Auditor General in Uganda audits the petroleum companies' agreements on the distribution of costs and revenues. In 2020, they completed the control of the tax accounts in the petroleum sector for the years 2012–2016. The controls help to ensure government revenues. Our professional support has been vital for the capacity of the Office of the Auditor General in Uganda to perform these types of checks. In Zambia, we have supported the first compliance audit on the award of mining licences. This led to a thorough review of the mining sector and more than 900 mining licences were revoked. Passive licences mean lost tax revenues and in the long term, these audits can contribute to increased revenues for the Zambian state. Our support to the Office of the Auditor General in Myanmar has contributed to the delivery of their first performance audits to the country's parliament and the establishment of a dedicated performance audit unit. In our support to Sierra Leone, we have assisted with the establishment of a dedicated ICT audit unit with associated strategy and plans.

The increased use of electronic tools and large, complex ICT systems in public administration in developing countries has improved efficiency. However, the use of such systems also means an increased risk and vulnerability to misuse and manipulation. Through AFROSAI-E we have supported Supreme Audit Institutions in southern Africa in developing and implementing a programme to improve skills in ICT audits. In 2020, the second round of the programme started. In this second round, the course participants from the first round became course instructors.

We reported around NOK 8.3 million to OECD-DAC in 2020, compared with NOK 15 million in 2019. The reduction is due to reduced activity due to the coronavirus pandemic. The figure includes our development collaboration costs and consist of the direct costs of providing assistance plus the payroll costs of the staff involved.

4.3.3 Auditing of international organisations

We chair the EFTA Board of Auditors and are the external auditor for the European Centre for Medium-Range Weather Forecasts. In addition, we are also represented in the audit boards of

- European Patent Office
- European Space Agency
- Organisation for Economic Co-operation and Development
- EUROCONTROL

When we accept international audit assignments, we work to contribute to good administration and maximum transparency in the relevant organisation.

We have also conducted audits on programmes as a control member of the EU's Interreg programme, which aims to promote social and economic integration across national borders through regional cooperation.

We have started work on assessing how to develop our role as an external auditor of international organisations and in this context, we are in dialogue with the Office of the Auditor General in Sweden. They

are in the process of establishing a resource model that will help them to win tenders and perform the role of the external auditor of large international organisations satisfactorily and properly.

4.3.4 A Letter of Intent regarding cooperation with the EFTA Surveillance Authority

In December 2020, the Auditor General signed a Memorandum of Understanding regarding further cooperation with the EFTA Surveillance Authority (ESA).

The aim is to exchange experiences between our two institutions and it will be put into operation through the establishment of various forums. The letter of intent also allows employees to participate in each other's competence development initiatives and through an exchange programme.

4.4 Administrative support functions

Our administrative support functions provide services to the entire organisation. These services are essential for ensuring that the core tasks can be carried out efficiently and that we comply with the requirements for good administration.

The functions address tasks such as operating and developing our various systems, and they provide services within HR, payroll, finance, archiving, security, operations, communication, corporate governance and management support.

The percentage of the total resources used for administrative support functions has been somewhat reduced in 2020.

5 Quality assurance and Management

5.1 The quality assurance system

The Office of the Auditor General's quality assurance system is based on International Standards of Supreme Audit Institutions (ISSAI 140). The system covers leadership, ethics, skills, performance of tasks and monitoring of the organisation. The governing documents are easily accessible, and we maintain a strong focus on ensuring that we have

- clear requirements and work criteria
- an overview of the factors that affect our ability and opportunity to carry out the work in line with set requirements and criteria
- systematic processes for the planning, implementation, quality control and reporting of all auditing and controls
- a systematic approach to monitoring, learning and improvement

We work continuously on developing our quality assurance system. Key elements include guidelines for auditing and control work, code of conduct, responsibility and authority structures, risk management, management of a portfolio of auditing and development tasks, auditing and support systems and organisational culture.

5.2 Periodic planning and follow-up

5.2.1 Strategic plan



Photo: Jametlene Reskp / Unsplash

In 2018, the Board of the Auditors General approved the strategic plan for the period 2018–2024.

Our vision “Auditing to benefit the society of tomorrow” serves as a guide to our three main goals and other strategies.

5.2.2 Annual performance plan

The strategic plan is operationalised through our annual performance plan, which is based on the organisation's resources and framework. Within this framework, we set overall priorities for our auditing, international and development work, as well as professional and administrative support.

The plan is based on analysis to identify and prioritise new auditing tasks. Every year, we also assess which are the most important risk areas internally within the Office of the Auditor General. The results are used as a basis for prioritising which development measures to include in the modernisation programme (see section 5.2.3) and which of the other measures and criteria to include in the annual performance plan. The annual performance plan is then translated into specific terms through departmental plans and management contracts.

We evaluate our results and achievement of goals based on good governance practice. We do this based on a defined set of sources of information, which together enable the Office of the Auditor General's management and Board to assess whether the organisation's results are satisfactory, or whether measures are necessary to improve goal achievement. These performance assessments are conducted annually and form the basis of the Office of the Auditor General's annual evaluations of operational risk.

5.2.3 Development work – Modernisation programme

In 2017, we established a modernisation programme to ensure systematic management of the development measures in the strategy period. The programme is an important instrument to achieve the goals of the strategic plan. The purpose of the programme is to help ensure that the gains from current and future

development projects are realised, which are then expected to contribute to achieving our strategic goals. Development projects that deal with the automation of processes and digitalisation play a key part in the modernisation programme.

Two of the development measures in the modernisation programme were completed in 2020. This refers to the project that will improve the work of identifying risk areas in the public administration and to the project for increased quality and efficiency improvement within financial audits. The line organisation has been assigned responsibility for follow-up.

In 2020, we introduced a new and more dynamic model for sector surveillance and selection of topics for audits. In this model we systematically assess the entire portfolio of audit and development tasks several times a year. We expect the new model to streamline our internal use of resources through faster case processing. The resources that have been freed up will be used to develop new audit topics.

The modernisation programme currently consists of eight key development measures, and these are divided thematically into the following focus areas for our development work:

- social mission
- organisation and management
- infrastructure and technology
- expertise
- communication

Our ongoing development measures:

Reporting the audit – a new Document for Annual Audit Report

The purpose of a new Annual Audit Report is to help streamline the production process and improve communication of the audit results in the document. The goal is for the Storting, public administration and other relevant parties to want to use the document to a greater extent than today. The project will mainly help to improve the way auditing results are communicated.

Digitalisation of reports

The project aims to improve the user-friendliness of the Office of the Auditor General's products so that they convey the message more clearly to priority target groups. The project will help to make our reports and documents more reader-friendly and ensure that the content is adapted to reading on digital platforms. We will also facilitate the increased use of visual and graphic elements. From 2020, we have only published our reports digitally, mainly as PDF files on the website. All production of our reports will be carried out internally from 2021.

Information management programme



Photo: Alexandre Debiève / Unsplash

The information management programme consists of measures to build a new, forward-looking foundation for information management in the Office of the Auditor General, which will affect all our work processes.

In the programme, we coordinate the implementation and follow-up of measures that have closely related purposes and clearly depend on each other.

At the end of 2020, this applies to the following measures:

- implementation of a new solution to secure exchange of data with audited organisations
- drawing up a strategy for future use of cloud services to process and store data
- implementation of a new collaboration solution internally and a new video conference solution for use at meetings with audited organisations and other external organisations
- studying the opportunities for developing a future-oriented financial audit (pilot project)

The measures in the programme seek to strengthen most of our strategic focus areas.

Handling of classified information

A project has been established to evaluate alternative technical and building infrastructure solutions that will allow the Office of the Auditor General to continue to meet the need to handle classified information in accordance with the requirements of the *Security Act* and *Corporate Security Regulations*. The purpose is also to streamline the production of audits in which we handle classified information. The project will contribute to strengthening the focus area of infrastructure and technology.

Management information

A pilot project on management information has been set up to study current practice and the need for management information at various levels. The project will also look at the opportunities to develop management information in the organisation, including which technological solution we should consider..

5.3 Operational management

Operational management aims to ensure sound implementation and ongoing prioritisation of tasks. Operational management is largely achieved through portfolio management systems that provide a collective basis upon which to evaluate whether there is appropriate progress, staffing levels and implementation of risk management for the tasks. We also assess whether the overall available resources are being prioritised appropriately.

The Office of the Auditor General uses an electronic management information system to allocate and report the use of resources on both auditing and administrative tasks on an annual basis. Historical figures from this system also provide a basis for more accurate resource estimates for the planning of similar tasks in the future.

Furthermore, operational management aims to ensure that, in our ongoing work, we manage resources and tasks in a sound and prudent manner and comply with the relevant laws and regulations.

5.4 Expertise, working environment and equality



Photo: The Office of the Auditor General

The Office of the Auditor General is an organisation of skilled experts, where our employees are our most important assets.

We focus on ensuring that our employees can participate in a wide range of competence development initiatives. Grants are available and leave is granted so that employees can pursue full or part-time relevant studies to ensure that the Office of the Auditor General's staff are qualified to answer to future needs. Staff also attend a range of courses as part of their competence development.

A good working environment is one of our priorities and we ensure that employee representatives and safety delegates can attend to their duties satisfactorily.

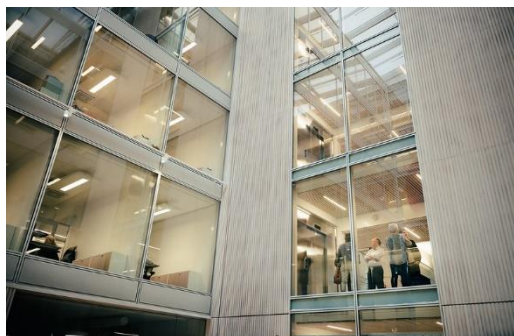
The labour organisations and office management meet regularly in the Information, Discussion and Negotiation Committee to discuss issues in accordance with the Basic Agreement and the Basic Collective Agreement. In our view, management have excellent communication with the staff and their representatives.

We have an active Working Environment Committee that helps to ensure that the Office of the Auditor General has a good working environment. The local safety delegates safeguard the interests of employees on issues concerning the working environment in each department.

In May 2020, we conducted a working environment survey. Ninety per cent of the staff responded to the survey and the main findings show that our employees have a high level of commitment and job satisfaction. The responses also show that employees are positively stimulated by the tasks, social conditions, and the Office of the Auditor General's mission for society

The follow-up work confirms that the Office of the Auditor General has a particularly good working environment. We have committed and highly competent employees, who have also handled the home office situation well. Going forward, we will focus on preserving a good working environment, while implementing measures in areas where potential for improvement have been identified.

Our life phase policy is part of our HR policy and is based on state employer guidelines and the objectives in the central agreement concerning an inclusive workplace. The Office of the Auditor General aims to be an attractive workplace for employees in all phases of their professional career, and we make every effort to ensure that more people can have a longer working life. Our life phase policy focuses on individually tailored measures adapted to suit each person's circumstances or life phase and targets employees' opportunities rather than their limitations. We accommodate the needs of employees who require physical adaptation of their workplace.



Our offices in Oslo. Photo: Ilja Hendel / Office of the Auditor General

The Office of the Auditor General aims to be a diverse organisation. We have an online recruitment tool that provides applicants with an immigrant background or disability with the opportunity to request a special assessment of their application.

In 2020, we took part in the inclusion initiative in the public sector, where we offered a traineeship to candidates with higher education who have disabilities or gaps in their CV. This is a two-year trainee scheme with the possibility for permanent employment.

In 2020, sickness absence represented 3.78 per cent of the total amount of full-time equivalents. In 2019, sickness absence represented 4.5 per cent. No accidents or personal injuries were reported in 2020. The management, HR division, the Working Environment Committee, the safety delegates, and the occupational health service are important players in the follow-up of sickness absence and the work on prevention and facilitation with the area of Health, Safety and Environment (HSE).

The use of overtime has been subject of particular attention. Although the Norwegian Labour Inspection Authority has closed their investigation of the OAG from 2019, we are working systematically to improve our internal control, enhance training and develop better systems to support and ensure compliance with the provisions of the Act.

Guidelines for reporting matters worthy of criticism were revised new later than 2019.

A total of 58.6 per cent of the employees in the Office of the Auditor General are women. In the middle management category, the target of at least 40 per cent representation of both genders has been satisfied, while less than 40 per cent in the senior management category are women. In the other position categories, the percentage of men is less than 40 per cent.

Gender percentage in the various position categories:

Position category <i>(Position codes taken from the government's pay level booklet)</i>	Women (%)	Men (%)
Top executives: 9146 – <i>Director General</i> 9208 – <i>Secretary General</i>	37.5	62.5
Middle managers: 1218 – <i>Deputy Director General</i>	46.2	53.8
Senior case processing positions: 1217 – <i>Assistant Director</i> 1220 – <i>Special Adviser</i> 1364 – <i>Senior Adviser</i> 1515 – <i>Senior Librarian</i>	59.3	40.7
Other case processing positions: 1363 – <i>Senior Consultant</i> 1408 – <i>Higher Executive Officer</i>	65	35

1436 – Adviser		
Other positions: 1065 – Consultant 1130 – Cleaner 1136 – Operating technician 1203 – Skilled worker with trade certification	62.5	37.5

There are no gender-based wage differences between men and women in the Office of the Auditor General.

At the senior management level (Director General), the average pay for women is marginally lower than for men, but at the middle management level (Deputy Director General), women earn marginally more than men.

In senior case processing positions, the wage difference between women and men is less than one per cent across all position codes, except for the Special Adviser. For other case processing positions, the wage difference is between one and two per cent within each position code. For some position codes, there are too few employees for a relevant comparison, or there are only women or men in the position code.

All our positions are advertised as full-time positions, but we facilitate part-time work when a member of staff so requires. As of 1 December 2020, 34 staff were on partial leave or were working reduced hours. Of these, 30 were women. There were no involuntary part-time positions. During 2020, 28 employees took parental leave. Of these, 19 were women and 9 men. The women took a total of 265 weeks of parental leave and the men took a total of 90 weeks leave.

In 2020, due to the coronavirus pandemic, there have been four employees in temporary positions: two women and two men.

5.5 Sustainability

The Office of the Auditor General aims to be an environmentally friendly organisation. We focus particularly on areas such as energy consumption, procurement, waste management and travel.

Our head office in Oslo has environmental certification of “Very good” according to the BREEAM NOR standard. The building is in energy class A and has systems that regulate heating and ventilation 24 hours a day and that automatically turn off lights in rooms where there is no activity.



In all our procurements, we assess whether it is relevant to stipulate environmental requirements. For example, office furniture that we purchase has been manufactured in an environmentally friendly way and office supplies bear the Nordic Swan label and our IT equipment is energy efficient. From 2020 onward, our reports will only be published digitally.

The Office of the Auditor General aims to reduce the number of travel days, air travel and greenhouse gas emissions over time, in line with the UN Sustainable Development Goals. In 2020, travel activity was significantly reduced due to the coronavirus pandemic. At the same time, new digital solutions for communication and interaction internally and externally were introduced.

We are working to further improve our communication solutions to achieve an even better collaboration, reduced travel costs and reduced carbon footprint. However, audits of organisations all over the country, combined with our regional presence, make a certain amount of travel necessary.

Our head office in Oslo. Photo: Ilja Hendel / Office of the Auditor General

6 Outlook to the Future

The Office of the Auditor General has been the Storting's audit and regulatory body since 1816. Our mandate, authority and independence are secured through the *Constitution*, the *Office of the Auditor General Act* and the *2004 Instructions relating to the activities of the Office of the Auditor General*.

We have

- access to audit and control the administration
- independence in choosing which cases we audit and how the audit will be performed
- unique access to information and the authority to demand all the information and documents we need from those we are investigating

With this as a starting point, we conduct audits and controls so that the Storting has a sound basis from which to supervise the government to help ensure a better administration. Transparency is key to ensuring the trust we have in each other in a well-functioning democracy. Our investigations are largely publicly available and only when special considerations so require can our investigations be exempted from public access.

The value of trust between the authorities and the public has become apparent through 2020. Although we will hopefully see an end to the pandemic, the long-term consequences will be serious for individuals and society. All over the world, the Supreme Audit Institutions play an important role in providing a sound and objective factual basis for the many and difficult decisions the authorities need to make.



Norway faces major societal changes and restructuring will be a central element. Public funds must be managed even more efficiently than today. Society expects the Office of the Auditor General to contribute to a better and more efficient public administration. The Office of the Auditor General must meet these expectations by continuing to provide current and relevant audits.

We must also continuously adapt and streamline our organisation. In 2021 we start off with a high pace of development. In recent years, we have invested significantly in development initiatives, especially within technology and digitalisation, and we are already seeing the fruits of our labour. The quality of our products is improving, while our work

processes are becoming more efficient.

Photo: Drew Beamer / Unsplash

The Office of the Auditor General aims at being an attractive workplace. Our talented staff are proud of their workplace and invest significant efforts into fulfilling our mission in society. We continue to invest in competence development initiatives for our staff, as well as recruiting new expertise. As the pandemic has taught us, flexibility and facilitation for our staff are so important. We will continue to focus on competence development and investment in digital solutions to ensure increased flexibility and collaboration.

The Storting is in the process of performing a review on how it discharges its democratic supervisory function. To maintain its legitimacy, the Storting's subordinate bodies must also be modernised and adapted to the present. The review and the subsequent debate are healthy signs of a democracy. We are looking forward to the Storting's further consideration, including the evaluation of the *Office of the Auditor General Act* and our organisation.

7 Budget and accounting 2020

The financial statements of the Office of the Auditor General are audited by PwC, which is appointed by the Presidium of the Storting. We received a clean report from the auditor for the accounting for 2020. The financial statements, with notes and auditor's report, have been submitted to the Presidium of the Storting.

Budget and cash accounts for 2020 (in NOK 1,000):

Chapter	Item		Financial statements 2019	Budget 2020	Financial statements 2020
0051		The Office of the Auditor General			
	01	Operating expenses	558,631	554,542	528,929
	75	Grants, international organisations and networks	26,200	27,000	27,000
		Total expensed	584,831	581,542	555,929
3051		The Office of the Auditor General			
	01	Refunds	1948	2000	2034
	02	Refunds abroad	976	300	1038
		Total recognised earnings	2924	2300	3072
		Full-time Equivalents	439		429

There is now a common government definition of full-time equivalent hours worked. Based on this definition, DFØ has made amendments to the report for resource input measured in full-time equivalent hours. The new report no longer counts full-time equivalent hours worked as a total of full-time equivalent hours per month. The report now measures the resource input in the form of hours worked, including overtime and extra hours, except for holidays. Due to the amendments, we have revised the figures for previous years in the table according to the new definition. The trend in full-time equivalent hours worked in the Office of the Auditor General:

2015	2016	2017	2018	2019	2020
455	456	441	430	439	429

7.1 Managerial salaries

The salary of the Chairman of the Board of Auditors General is determined by the Storting and in 2020 was NOK 1,594,653. The salaries of the Secretary General and Directors General are in line with the government's executive salary system. The system is intended to promote goal achievement, boost results and completion rates and facilitate good leadership.

The Office of the Auditor General uses the system's salary band E for the Secretary General, which covers the salary range from NOK 1.2 million to 2 million. In 2020, the annual salary of the Secretary General was NOK 1,761,087. As regards the Directors General, the Office of the Auditor General uses salary band C, which covers the salary range from NOK 1 million to 1.6 million. In 2020, the annual salary of the Directors General was in the range of NOK 1,426,390 to 1,486,592. The average salary was NOK 1,452,200.

7.2 Under-utilisation of the Budget

The national accounts expenditure for Section 0051 shows an under-utilisation of NOK 25.6 million in 2020. The main reason was a sharp reduction in travel and meeting activities due to the coronavirus pandemic. Due to the pandemic, several planned projects have been delayed, with associated underspending in 2020.

The Office of the Auditor General has applied for the under-utilisation to be transferred to 2021 to cover costs in several development projects.

Appendix 1: Management comments on the annual accounts 2020

Appendix 2: Annual Report 2020

Appendix 3: Auditor's Report

Appendix 4: Briefing on the INTOSAI Development Initiative (IDI)